

acquires; and when, for example, he is what is termed a speculator for the rise, and prices of a particular stock ascend, the public who then secure a propitious opportunity for selling participate in the success; while if he be a speculator for the fall, the watchful public again possess the chance of a profitable purchase. And all gains in business generally—the most cautious and legitimate—might be equally denounced, since a financial success to one implies a diminished success, at all events, to others.

Let us judicially discriminate. Assume that some common article of food falls considerably in price as the effect of some passing cause. Speculators would at once purchase large quantities and retain them in anticipation of a revival of value. Hence, in consequence of this reduction of supply (in proportion to the demand), the price would be maintained at a higher level than would have occurred had speculators been absent, and numberless persons (quite apart from the speculators) who would have suffered heavily by the uncontrolled decline of value are thus protected. In a similar manner, the price of another article of food may be temporarily forced to a greatly enhanced and abnormal value: speculators would then be tempted to sell in the expectation of a fall of price succeeding, and making a subsequent purchase at an advantageous rate.

Now if it be desirable—as it undoubtedly is for the public convenience—that a reasonable and fairly uniform price for all commodities—as a stable basis of purchase and disposal—should generally prevail rather than extravagant dearness at one time and an inordinate cheapness at another (so that in the latter event it becomes hardly worth while to produce), it would seem that sound reason can be urged in the public service for speculative operations which thus control the excessive upward or downward motion, and retain prices at a level, on the whole, upon which consumers may reasonably depend in regulating the extent of the provision they should make for their needs.

In this mode, also, extreme inflation and depression in the values of Stock Exchange securities are counteracted by speculative bargains in the one direction

and the other, with • resulting Advantage to the public, on the whole, in the maintenance of a reasonably stable level of values. Specula-Q